

141 FERC ¶ 61,175  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Philip D. Moeller, John R. Norris,  
Cheryl A. LaFleur, and Tony T. Clark.

Trailblazer Pipeline Company LLC

Docket No. RP13-240-000

ORDER ACCEPTING AND SUSPENDING TARIFF RECORDS AND  
ESTABLISHING TECHNICAL CONFERENCE

(Issued November 30, 2012)

1. On October 31, 2012, Trailblazer Pipeline Company LLC (Trailblazer) filed revised tariff records<sup>1</sup> to establish a new Firm Transmission Balancing Service (FTB). As discussed below, the Commission accepts and suspends the proposed tariff records to become effective May 1, 2013, subject to conditions, refund and the outcome of a technical conference.

**I. Background**

2. Trailblazer states that it is proposing Rate Schedule FTB to provide its shippers the option of obtaining additional nomination cycles. Trailblazer's tariff currently offers the four nomination cycles provided by the North American Energy Standards Board (NAESB):

<b>Cycle</b>	<b>Nomination Time (Central Clock Time)</b>	<b>Confirmation By Connected Parties</b>	<b>Scheduling Received by Shipper</b>	<b>Nomination Effective</b>	<b>Bumping IT</b>
Timely	11:30 a.m. (DA) <sup>2</sup>	3:30 p.m. (DA)	4:30 p.m. (DA)	9 a.m. (DO)	N/A
Evening	6 p.m. (DA)	9 p.m. (DA)	10 p.m. (DA)	9 a.m. (DO)	Yes

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<sup>1</sup> See Appendix.

<sup>2</sup> "DA" means the day-ahead of gas flows. "DO" means the day-of gas flows.

Intra-Day 1	10 a.m. (DO)	1 p.m. (DO)	2 p.m. (DO)	5 p.m. (DO)	Yes
Intra-Day 2	5 p.m. (DO)	8 p.m. (DO)	9 p.m. (DO)	9 p.m. (DO)	No

3. Trailblazer states that it is proposing Rate Schedule FTB so that shippers with this service may have at least two additional nomination cycles. Trailblazer states that a shipper can change its flow in the additional nomination cycles by providing nominations no less than two hours in advance of the desired flow change.

4. Trailblazer explains that Rate Schedule FTB will operate identically to Rate Schedule FTS so long as the shipper's nominations are no greater than the Maximum Hourly Quantity, which is  $1/24^{\text{th}}$  of the contracted Maximum Daily Quantity. Up to the Maximum Hourly Quantity, firm services under Rate Schedule FTB will have the same firm scheduling and curtailment priorities as Rate Schedule FTS. Trailblazer states that under Rate Schedule FTB, the shipper may request and receive service in excess of its Maximum Hourly Quantity on an interruptible basis for an additional Enhance Hourly Delivery Charge.

5. Trailblazer states that the availability of FTB service at any location will depend upon Trailblazer's confirmation that providing firm service at the desired points is operationally feasible. Trailblazer explains that to perform FTB service, it must rely on interconnected third party pipelines or storage operators. Trailblazer states that it has no company-owned storage and has limited line pack flexibility, but Trailblazer explains that certain interconnected pipelines operate storage and that Trailblazer has a bi-directional interconnect with East Cheyenne Storage. Accordingly, Trailblazer states Third Party Operating Agreements with interconnecting third party operators will be necessary for Trailblazer to provide FTB service. Trailblazer presents in its transmittal the formula to be used to calculate the Enhanced Hourly Delivery Charge.

6. Trailblazer states that given the unique requirements of the Demand and Balancing Points, secondary service and segmentation rights are not available under Rate Schedule FTB. However, Trailblazer proposes to allow shippers under Rate Schedule FTB to use capacity release to convert Rate Schedule FTB capacity to Rate Schedule FTS capacity.

7. Trailblazer asserts that it is proposing no substantive changes to other firm services, and Trailblazer states that it has structured Rate Schedule FTB so that it does not adversely affect other services. Trailblazer adds that it is offering existing Rate Schedule FTS customers a one-time right to convert all or any portion of existing service agreements under Rate Schedule FTS to Rate Schedule FTB.

## II. Public Notice, Interventions, and Comments

8. Public notice of Trailblazer's filing was issued on November 1, 2012. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2012)). Pursuant to Rule 214 (18 C.F.R. § 385.214 (2012)), all timely filed motions to intervene and any unopposed motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. The filing was protested by the Indicated Shippers,<sup>3</sup> Tenaska Marketing Ventures (Tenaska), and East Cheyenne Gas Storage, LLC (East Cheyenne).

9. The protests state that Trailblazer's proposal may adversely affect existing firm service and interruptible service. Indicated Shippers, Tenaska, and East Cheyenne state that it is unclear whether Trailblazer plans to remove from the market potential FTB capacity to allow Trailblazer to provide this service to FTB shippers. They state that removing the capacity from the market would strand capacity and interfere with interruptible service and secondary firm service. The protests also express concern that the proposed rate schedule could allow bumping of scheduled secondary firm service. The protests further assert that there is nothing in Trailblazer's proposal that would limit bumping of interruptible shipments during and after the Intra-Day 2 nomination cycle. Indicated Shippers also express concern about the priority for nominations under Rate Schedule FTB compared to the priority given to other interruptible shipments.

10. East Cheyenne also expresses concern that Trailblazer's proposal fails to distinguish between balancing points and receipt points, and that this may unnecessarily limit the use of third party storage. East Cheyenne states that the proposal is unclear as to whether a shipper may use the same agreement to move gas both forward and backward between the Demand Point and the Balancing Point.

11. Tenaska states that it is unclear under the proposal whether Trailblazer intends to prohibit Tenaska and other FTS shippers from continuing to serve loads under FTS contracts. Tenaska also states that Trailblazer's proposal will require FTB customers to pay Trailblazer for a balancing service, even though the actual balancing service is actually provided by a third party. In response to Trailblazer's assertion that its proposed service is to meet the needs of electric generators, Tenaska states that it serves the only

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<sup>3</sup> Indicated Shippers consist of ConocoPhillips Company; Cross Timbers Energy Services, Inc.; Shell Energy North America (US), L.P.; SWEPI, LP; and WPX Energy Marketing, LLC.

generation facility directly connected to Trailblazer and that it made no request for this type of service.

12. The protests also raise concerns regarding the determination of the rate proposed by Trailblazer for service under Rate Schedule FTB. The protests request clarification regarding multiple other issues, including the process for current Rate Schedule FTS Shippers to convert to Rate Schedule FTB and the practical operation of the additional nomination cycles.

### **III. Discussion**

13. Trailblazer's proposed Rate Schedule FTB raises issues that are best addressed at a technical conference. It is not possible at this juncture to determine whether Trailblazer's proposal is just and reasonable. A technical conference will afford the Commission staff and the parties to the proceeding an opportunity to discuss issues raised by Trailblazer's filing, including but not limited to the concerns raised in the protests.

14. Based upon review of the filing, the Commission finds that the proposed transportation rates have not been shown to be just and reasonable, and may be unjust, unreasonable and unduly discriminatory or otherwise unlawful. Accordingly, the Commission shall accept and suspend the effectiveness of the proposed transportation rates for the period set forth below, subject to the conditions set forth in this order.

15. The Commission's policy regarding tariff filings is that they generally should be suspended for the maximum period permitted by statute where preliminary study leads the Commission to believe that the filing may be unjust, unreasonable, or inconsistent with other statutory standards.<sup>4</sup> It is recognized, however, that shorter suspensions may be warranted in circumstances where suspension for the maximum period may lead to harsh and inequitable results.<sup>5</sup> Such circumstances do not exist here. Therefore, the Commission shall exercise its discretion to suspend the proposed tariff records listed in the Appendix as suspended, to be effective May 1, 2013, subject to refund and the outcome of a technical conference.

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<sup>4</sup> See *Great Lakes Gas Transmission Co.*, 12 FERC ¶ 61,293 (1980) (five-month suspension).

<sup>5</sup> See *Valley Gas Transmission, Inc.*, 12 FERC ¶ 61,197 (1980) (one-day suspension).

The Commission orders:

(A) The tariff records listed in the Appendix of this order are accepted and suspended to become effective May 1, 2013, subject to conditions, refund and the outcome of a technical conference.

(B) The Commission's staff is directed to convene a technical conference to address the issues raised by Trailblazer's filing and report the results of the conference to the Commission within 120 days of the date this order issues.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

## Appendix

Trailblazer Pipeline Company LLC  
Fifth Revised Volume No. 1  
FERC NGA Gas Tariff

Tariff Records Accepted and Suspend,  
Subject to Conditions, to be Effective May 1, 2013

- Sheet No. 1, Table of Contents, 2.0.0
- Sheet No. 2, Table of Contents, 4.0.0
- Sheet No. 5, Currently Effective Rates - Rate Schedules FTS & ITS, 4.0.0
- Sheet No. 6, Currently Effective Rates-Rate Schedule FTS (Expansion 2002)
- Sheet No. 7, Expansion Fuel Reimbursement Percentage, 8.0.0
- Sheet No. 43, Reserved For Future Use, 2.0.0
  - Sheet No. 44, Sheet No. 44, 1.0.0
  - Sheet No. 45, Sheet No. 45, 1.0.0
  - Sheet No. 46, Sheet No. 46, 1.0.0
  - Sheet No. 47, Sheet No. 47, 1.0.0
  - Sheet No. 48, Sheet No. 48, 1.0.0
  - Sheet No. 49, Sheet No. 49, 1.0.0
  - Sheet No. 50, Sheet No. 50, 1.0.0
  - Sheet No. 51, Sheet No. 51, 1.0.0
  - Sheet No. 52, Sheet No. 52, 1.0.0
  - Sheet No. 53, Sheet No. 53, 0.0.0
  - Sheet No. 54, Sheet No. 54, 0.0.0
  - Sheet No. 55, Sheet No. 55, 0.0.0
  - Sheet No. 56, Sheet No. 56, 0.0.0
- Sheet No. 100, General Terms and Conditions - Sections 1, 1.1 through 1.6, 2.0.0
- Sheet No. 104, General Terms and Conditions - Sections 1.21 through 1.26, 2.0.0
- Sheet No. 105, General Terms and Conditions - Sections 1.27 through 1.32, 2.0.0
  - Sheet No. 173, General Terms and Conditions - Section 17.2, 2.0.0
  - Sheet No. 184, General Terms and Conditions - Section 19.2, 1.0.0
  - Sheet No. 189, General Terms and Conditions - Section 19.4, 1.0.0
- Sheet No. 215, General Terms and Conditions - Sections 21, 21.1 and 21.2, 1.0.0
- Sheet No. 224, General Terms and Conditions-Sections 22.12, 22.13 and 22.14, 2.0.0
- Sheet No. 238, General Terms and Conditions-Sections 34, 34.1 through 34.3, 2.0.0
- Sheet No. 245, General Terms and Conditions - Sections 38 and 38.1, 2.0.0
  - Sheet No. 310, Sheet No. 310, 2.0.0
  - Sheet No. 311, Sheet No. 311, 1.0.0
  - Sheet No. 312, Sheet No. 312, 0.0.0
  - Sheet No. 313, Sheet No. 313, 0.0.0

Sheet No. 314, Sheet No. 314, 0.0.0  
Sheet No. 315, Sheet No. 315, 0.0.0  
Sheet No. 316, Sheet No. 316, 0.0.0  
Sheet No. 317, Sheet No. 317, 0.0.0  
Sheet No. 318, Sheet No. 318, 0.0.0